

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2015-00039
THE CITY OF AGUSTA)

NOTICE OF FILING

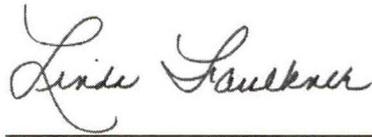
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on September 8, 2015 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on September 8, 2015 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on September 8, 2015.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at: http://psc.ky.gov/av_broadcast/2015-00039/2015-00039_08Sep15_Inter.aspx. Parties wishing an annotated digital video

recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 11th day of September 2015.

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

Bracken County Water District
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Brooksville, KY 41004

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2015-00039
THE CITY OF AUGUSTA)

CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on September 8, 2015. Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on September 8, 2015.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of September 8, 2015.
4. The "Exhibit List" attached to this Certificate correctly lists all Exhibits introduced at the Hearing of September 8, 2015.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of September 8, 2015 and the time at which each occurred.

Given this 9th day of September, 2015.


Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017





Date:	Type:	Location:	Department:
9/8/2015	General Rates	Public Service Commission	Hearing Room 1 (HR 1)

Judge: Jim Gardner; Dan Logsdon
 Witness: Anthony Habermehl - Bracken District; Doug Padgett - Augusta; Gretchen Usleman - Augusta
 Clerk: Sonya Harward

Event Time	Log Event
9:29:26 AM	Session Started
9:29:29 AM	Session Paused
9:57:22 AM	Session Resumed
9:57:25 AM	Vice Chairman Jim Gardner - Preliminary Remarks Note: Harward, Sonya Introduces himself and Commissioner Dan Logsdon. Note: Harward, Sonya Introduces the case.
9:57:49 AM	Attys. Todd Osterloh and Cynthia Thompson for City of Augusta ("Augusta")
9:57:57 AM	Atty. Gerald Wuetcher for Bracken County Water District ("Bracken District")
9:58:03 AM	Attys. David Spenard and John Park for the Public Service Commission
9:58:10 AM	Public Notice Given
9:58:21 AM	Outstanding Motions - None Note: Harward, Sonya Other than a request for confidentiality.
9:58:42 AM	No Public in Attendance for Comments
9:58:54 AM	Doug Padgett takes the stand and is sworn in.
9:59:16 AM	Atty. Osterloh Direct Exam of Witness Padgett Note: Harward, Sonya Operations Manager at Regional Water Plant Note: Harward, Sonya Correction to testimony, page 4, line 7, date should be August 28, 2015.
10:00:35 AM	Atty. Osterloh to Witness Padgett Note: Harward, Sonya Asking Witness about his opinion concerning a statement in Habermehl Testimony regarding allocating water treatment plant operators time for collecting water systems in the distribuion systems.
10:01:52 AM	Atty. Wuetcher Cross Exam of Witness Padgett Note: Harward, Sonya Asking Witness for background and educational information.
10:03:45 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking about a written description of the duties of an operations manager.
10:04:08 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking Witness if his duties will include various things he lists.
10:05:57 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking Witness about prior experience in operating plants.
10:06:41 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking Witness about experience in preparing a cost-of-service study or cost allocation study.
10:08:32 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking about the water treatment plant's superintendent.
10:09:42 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya Asking Witness about the 1993 Water Purchase Contract between Augusta and Bracken District ("the 1993 Contract").
10:11:37 AM	Atty. Osterloh provides a copy of the 1993 Contract to Witness Padgett.

10:12:09 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Referencing the 1993 Contract, p. 6, paragraph 16, regarding an water supply advisory board.

10:13:45 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking who appointed Witness to his position.

10:14:04 AM Atty. Osterloh - Objection
Note: Harward, Sonya Does not pertain to the rates being requested.

10:14:34 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking more about water supply advisory board's duties, from the 1993 Contract, p. 7.

10:16:15 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking Witness about the water supply advisory board not being in existence and why.

10:18:13 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking Witness if the water supply advisory board was also to provide for a voice for the selectoin of the auditor.

10:19:06 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking who the full-time employees are, beginning with the test year.

10:20:16 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Referencing Bracken District's Notice of Filing, filed March 18, Exhibit 3, p. 13 of 21, list of summer youth employees, and asking where they were assigned, their duties, and who hired them.

10:22:01 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking about the \$1.95 increase being based on calculations performed by Donna Hendrix, and when she was contracted to do the audits.

10:24:02 AM Atty. Wuetcher - Motion to Strike
Note: Harward, Sonya Regarding CPA being unavailable to respond about the rate calculation.

10:24:39 AM Atty. Osterloh - Response to Motion to Strike

10:27:37 AM Atty. Thompson - Response to Motion to Strike

10:28:09 AM Atty. Spenard - Response to Motion to Strike

10:29:19 AM Vice Chairman Gardner - Overruled Motion Without Prejudice
Note: Harward, Sonya This will be addressed again later in the Hearing.

10:29:39 AM Atty. Wuetcher - Response to Ruling on Motion to Strike

10:30:33 AM Atty. Wuetcher continues Cross Exam of Witness Padgett
Note: Harward, Sonya Asking if a copy of the final report was provided to Bracken District when it was submitted to the Board.

10:31:34 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Asking Witness if the 1993 Contract authorizes the recovery of rate case expenses.

10:32:07 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Referencing Witness's Testimony, p. 3, line 17, asking the Witness if he asked Ms. Hendrix why she did not include rate case expenses.

10:34:17 AM Vice Chairman Gardner - Pause for Conference with Commissioner Logsdon

10:34:41 AM Vice Chairman - Remarks on Line of Questioning
Note: Harward, Sonya The issue of rate case expense has not been fully discovered yet, and this will not be decided until full discovery is completed.

10:36:05 AM Atty. Wuetcher to Witness Padgett
Note: Harward, Sonya Referencing the 1993 Contract, p. 9, Variable Rate Schedule. Asks Witness to review section 2, subsection e, cash operation maintenance expense.

10:38:12 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking about the recovery of the rate case expenses in fiscal year 2014-2015 being moved to the previous period so they can be recovered in this case.
10:43:22 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness questions about sampling.
10:45:18 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Referencing Bracken District's Notice of Filing, Exhibit 3, p. 13 of 21, which is a list of employees and there is a notation regarding two of the operators.
10:46:01 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about testing done on a monthly basis.
10:47:16 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness if any independent sampling it done outside of what is done by the water treatment plant operators.
10:47:38 AM	POST HEARING DATA REQUEST by Atty. Wuetcher Note: Harward, Sonya	Provide a listing of the testing done for the water distribution system for the fiscal year.
10:48:27 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about expenses regarding collection and testing.
10:49:35 AM	Bracken District - Exhibit 1 Note: Harward, Sonya	Document labeled: Exhibit 6, Page 1 of 21, Average Weekly Water Treatment Plant Duties for City Office Employees, 34 Hours/Week
10:53:04 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Referencing Augusta's Response to Bracken District's Second Request for Information, Item 15.
10:53:23 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness for his position at the time the Exhibit was prepared and whether he was directed to prepare the study.
10:54:26 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Referencing Commission Staff's First Request for Information, Item 6, percentage of time employees spent working on water operations.
10:56:02 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about conducting the study.
11:00:47 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness if Augusta has sought a way to better track time and services.
11:02:13 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about computer services he provides to the water treatment plant.
11:03:45 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about his helping with electronic filings.
11:04:27 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness if Ms. Hendrix discussed with anyone the cost methodology Augusta used.
11:05:59 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about cost item information provided to Ms. Hendrix's and her calculations not being accurate.
11:07:22 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Referencing the 1993 Contract, p. 2, paragraph 3.
11:08:27 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about accounting system for cost actually incurred.
11:10:16 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Referencing the Habemehl Testimony, Exhibit D.

11:13:42 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness if Bracken District has an equity interest in the treatment plant, and if Bracken District would have an ownership interest if the contract was terminated. (References the 1993 Contract, p. 7, paragraph 17.)
11:15:57 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness about the 2008 Modification Agreement between Augusta and Bracken District ("the 2008 Agreement").
11:16:19 AM	Atty. Spenard Cross Exam of Witness Padgett Note: Harward, Sonya	Asking Witness about statement he made regarding the Mayor asking him to help with this case, and when he became involved.
11:18:29 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about filing reports with the Division of Water.
11:19:05 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about the flow of water through meters.
11:19:52 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about getting a sense for the cost before determining how to allocate the cost to get the volumetric rate.
11:20:33 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness for the amount of water treated during the test period for Bracken District and Augusta.
11:21:52 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about amounts provided in the audit and if the amounts are the proper amounts to use to determine the volumetric rate.
11:24:01 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking about information that was communicated to Ms. Hendrix.
11:25:01 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness whether the total gallons listed in the Habermehl Testimony are in error.
11:26:51 AM	POST HEARING DATA REQUEST by Atty. Spenard Note: Harward, Sonya	Provide a supplementary response to clarify the correct amount of gallons of water used by Bracken District, and correct the total gallons if needed.
11:27:30 AM	Wuestcher - Interjects Note: Harward, Sonya	Gives location of information being asked about, Augusta's Reponse to Commission Staff's First Request, Item 7, and makes a statement regarding the Habermehl Testimony.
11:28:20 AM	Atty. Spenard - Response Note: Harward, Sonya	The correct amount should be clarified.
11:29:43 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness what percent of the treated water was sent through the meter to Bracken District system.
11:30:16 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking whether there is any language discussing rate case expense in the 1993 Contract.
11:30:53 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness if he agrees with the proposed adjustment in the Habermehl Testimony regarding operator salaries that benefit only Augusta's water distribution system.
11:32:02 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about the proposed adjustment to an operator's pay increase discussed in the Habermehl Testimony.

11:33:59 AM	Atty. Spenard to Witness Padgett Note: Harward, Sonya	Asking Witness about the Habermehl Testimony suggesting the removal of the summer youth employment wages and the adjustment.
11:36:00 AM	Commissioner Logsdon Cross Exam of Witness Padgett Note: Harward, Sonya	Referencing the Witness's Testimony, p. 2, regarding how the city (as a customer) is treated by the water treatment plant.
11:36:43 AM	Commissioner Logsdon to Witness Padgett Note: Harward, Sonya	Asking how summer employees were paid.
11:37:03 AM	Vice Chairman Gardner Cross Exam of Witness Padgett Note: Harward, Sonya	Asking if the \$6,090 per month capital cost is the current rate being charged.
11:37:57 AM	Atty. Re-Direct Exam of Witness Padgett Note: Harward, Sonya	Asking Witness about any involvement in the 1998 rate case when he was employed by Buffalo Trace.
11:38:44 AM	Atty. Wuetcher Re-Cross Exam of Witness Padgett Note: Harward, Sonya	Asking Witness about being directed by the Mayor to help with this case and still receiving his full salary from the previous position.
11:39:42 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking Witness if Augusta is asking for a rate adjustment going forward and a true-up amount.
11:41:04 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking about policy to encourage operators to get their distribution license.
11:41:56 AM	Atty. Wuetcher to Witness Padgett Note: Harward, Sonya	Asking about summer youth employees providing minor maintenance, and that work being separate from the maintenance services provided by the maintenance department.
11:43:15 AM	Vice Chairman Gardner - Comments Note: Harward, Sonya	Asked Atty. Wuetcher about introducing his Exhibit. It was introduced and accepted as part of this Hearing.
11:43:47 AM	Break for Lunch	
11:43:51 AM	Session Paused	
12:58:09 PM	Session Resumed	
12:58:11 PM	Gretchen Usleman takes the stand and is sworn in. Note: Harward, Sonya	City Clerk Treasurer for City of Augusta
12:58:50 PM	Atty. Osterloh Direct Exam of Witness Usleman Note: Harward, Sonya	The Witness lists numerous corrections to her Testimony.
1:02:57 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking about Habermehl Testimony doubting her working 14 hours per week on issues related to water treatment plant.
1:03:54 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking Witness about the increase of wages for water operators due to receiving their licenses.
1:04:27 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking about the salary survey submitted in this case, and how the operator ranks on that survey.
1:04:50 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking if the summer youth workers are unnecessary and if their wages should not be recovered.
1:05:31 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking Witness about the 1993 Contract regarding rebates for overcharges and payment by Bracken District for undercharges.

1:06:26 PM	Atty. Wuetcher - Objection and Move to Strike Note: Harward, Sonya	Parties have waited months for Augusta's testimony and now they are making additional changes. Asks that the changes be stricken or allow parties more discovery after this Hearing.
1:07:43 PM	Atty. Osterloh - Response to Objection and Motion to Strike	
1:08:37 PM	Vice Chairman Gardner - Ruling Note: Harward, Sonya	Commission will take the Motion under advisement and revisit the issue at the end of this Hearing.
1:09:10 PM	Atty. Wuetcher Cross Exam of Witness Usleman Note: Harward, Sonya	Asking if Bracken District was provided a copy of Ms. Hendrix's final report in December 2014.
1:10:46 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness when Augusta filed its rate adjustment with the Commission.
1:11:49 PM	Bracken District - Exhibit 2 Note: Harward, Sonya	Four Pages: Letters to the Commission and Bracken District regarding rate increase, City of Augusta Water Treatment Plant Costs, and a Tariff.
1:12:41 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about Bracken District - Exhibit 2 to this Hearing,
1:13:45 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing the 1993 Contract, p. 12, Section 7.b. of the Variable Rate Schedule.
1:15:03 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing the second letter of Bracken District - Exhibit 2 to this Hearing.
1:16:53 PM	Bracken District - Exhibit 3 Note: Harward, Sonya	Several tariffs filed by the city of Augusta from 2005 to 2014.
1:18:30 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if the Commission has held a hearing on a change in rate since Case No. 98-497.
1:19:24 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if she was responsible for filing the 2008 Agreement with the Commission.
1:20:34 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, p. 2, line 1, regarding expenses that should not have been charged to the water treatment plant.
1:21:57 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if there had previously been only one account for Augusta with the company from which they order their chemicals.
1:23:15 PM	POST HEARING DATA REQUEST by Atty. Wuetcher Note: Harward, Sonya	Provide confirmation that Augusta has two accounts for the purchase of chemicals.
1:24:12 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness for the dollar amount that should have been allocated for Workers Compensation to the water treatment plant.
1:24:38 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about the partial allocation of the \$786 refund, and why it should only be a partial refund.
1:28:21 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness how she arrived at \$260 for Workers Compensation for the assignment of the assistant city clerk to the water treatment plant.

1:29:10 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide the salary amount for the assistant city clerk that was used to apply the 85 percent calculation.

1:30:08 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Referencing Augusta's Response to Commission Staff's Third Request for Information, Exhibit 2, p. 3 of 4.

1:32:10 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide the invoice for the audit performed in 2013.

1:32:24 PM Discussion about invoice for audit for requested.

1:33:43 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Referencing Augusta's Response to Commission Staff's Third Request for Information, Exhibit 2, p. 2 of 4, invoice for Ms. Stanfield.

1:34:47 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Asking Witness about the cost of testing the water meter being assigned directly to Bracken District, referencing Augusta's Response to Commission Staff's Third Request for Information, Exhibit 2, p. 1 of 4.

1:36:22 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide any invoices for the fiscal year for the testing of the master meter that serves the Augusta water distribution system and to whom those costs were assigned.

1:37:55 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Referencing Augusta's Response to Bracken District's First Request, Item 39.

1:39:18 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Asking Witness about the \$1,875 for mowing expenses assigned to the treatment plant, and how \$125 was determined for each mowing activity.

1:41:49 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide the invoices for \$1,375 paid to Rhett Couch.

1:42:22 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide invoices for thr \$3,044 in Legal services allocated to the water treatment plant.

1:43:38 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Asking Witness about how the legal fees are allocated to each department.

1:44:14 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya For Susan Butts and Angie Swietzer, provide the dates of reimbursements, the amounts of the out of pocket medical expense policy, and the account it was disbursed from.

1:46:01 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Referencing Witness's Testimony, p. 3, regarding why costs for construction of a concrete wall and installation of a gas service line were operating expenses instead of capital expenses.

1:48:37 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Referencing Augusta's Response to Bracken District's Second Request, Items 1 and 2, regarding number of employees.

1:49:26 PM POST HEARING DATA REQUEST by Atty. Wuetcher
Note: Harward, Sonya Provide a breakdown of the 11 youth employees by department, and the number of appointed and elected officials.

1:51:04 PM Atty. Wuetcher to Witness Usleman
Note: Harward, Sonya Asking Witness about tracking the 14 hours spent on work for the water treatment plant.

1:54:52 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if she knows if the city has tried to track the hours of employees spent in each department.
1:55:58 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if the auditors were made aware that 85 percent of Ms. Swietzer's salary was allocated to the water treatment plant.
1:57:35 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness when the city last reviewed the 85/15 percent split.
1:59:51 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about the rate case, and if a staff report or Order suggested that the 85 percent was the correct allocation.
2:01:10 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness how her duties for the water treatment plant differ from what she does for other departments.
2:03:25 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about the inquiries fielded on a daily basis.
2:04:05 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about there being about 193 purchase orders.
2:05:52 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness questions about franchise fees.
2:08:26 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about corrections to her testimony regarding snow removal.
2:10:16 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness to elaborate on the sewer charges she discussed in her corrections to her testimony.
2:11:53 PM	POST HEARING DATA REQUEST by Atty. Wuetcher Note: Harward, Sonya	Provide a copy of the sewer calculations and presumptions that were used.
2:12:58 PM	POST HEARING DATA REQUEST by Atty. Wuetcher Note: Harward, Sonya	Provide the calculations and presumptions for all utility charges, and how much is charged to the retail water system.
2:14:36 PM	Atty. Spenard Cross Exam of Witness Usleman Note: Harward, Sonya	Asking Witness about her background with the city of Augusta.
2:15:31 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness about her role regarding execution of the 1993 Contract.gusta and Bracken District.
2:16:31 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness to explain the process of refunding overcharges and collecting undercharges.
2:17:49 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness about an unpaid bill by Bracken District.
2:18:58 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, pp. 2-4, regarding over \$27,582 in expenses that should have been assigned to the water treatment plant but were not, and the purpose for identifying this amount.
2:21:26 PM	Vice Chairman Gardner - Clarifying Question to Witness Note: Harward, Sonya	Clarifying that she thinks the proposed \$1.95 should not increase or decrease.
2:21:53 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, p. 7, regarding notice of rate increase to Bracken District.
2:23:33 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness about her understanding of the notice according to the agreement with Bracken District.

2:24:11 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness if Augusta has given thought to hiring one full-time person to do the administrative work for the water treatment plant to fix the issue of time allocation.
2:26:58 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness if she read the Habermehl Testimony regarding the allocation of a portion of the operators salaries that benefit only the water distribution system.
2:28:38 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness if Augusta has one or more insurance policies for Workers Compensation.
2:29:18 PM	POST HEARING DATA REQUEST by Atty. Spenard Note: Harward, Sonya	Provide a chart of employees that provide full- or part-time services to the water treatment plant, and the individual contribution rates to the Workers Compensation premium.
2:30:31 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking Witness about the option of not paying the franchise fees.
2:31:14 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking why Witness does not agree with the adjustment for the summer youth employees.
2:31:53 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, p. 5, regarding fiscal year for 2014 salaries being reasonable considering industry standards.
2:32:07 PM	POST HEARING DATA REQUEST by Atty. Spenard Note: Harward, Sonya	Provide a detailed list of all city employees that provide services on behalf of the water treatment plant, their pay rate, hours per week contributed to treatment plant, and overtime hours that should be allocated to the treatment plant. Also, provide a detailed list of current employees of the water treatment plant and their pay rates, salaries, and overtime for the fiscal year.
2:34:10 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Referencing the Habermehl Testimony, p. 22, regarding Augusta failing to provide information to Bracken District.
2:35:54 PM	Atty. Spenard to Witness Usleman Note: Harward, Sonya	Asking if Witness agrees that the contractual agreement requires Augusta to provide certain information to Bracken District.
2:36:40 PM	Commissioner Logsdon Cross Exam of Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, p. 5, regarding the 85 percent of the assistant city clerk's salary allocation to the water treatment plant being fair to the wholesale customers.
2:38:02 PM	Commissioner Logsdon to Witness Usleman Note: Harward, Sonya	Referencing Witness's Testimony, p. 7, line 4, regarding the water treatment plant running a deficit from year to year.
2:39:18 PM	POST HEARING DATA REQUEST by Commissioner Logsdon Note: Harward, Sonya	Provide the amount of the deficit the water treatment plant has from year to year.
2:39:35 PM	Atty. Osterloh Re-Direct Exam of Witness Usleman Note: Harward, Sonya	Asking follow-up questions about snow removal charge.
2:41:14 PM	Atty. Osterloh to Witness Usleman Note: Harward, Sonya	Asking Witness whether Bracken District is in compliance with the 2008 Agreement.
2:41:48 PM	Atty. Wuetcher Re-Cross Exam of Witness Usleman Note: Harward, Sonya	Asking Witness about montly reports, if Bracken District was to be receiving them, and when the last reports were sent.

2:44:40 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about the water supply advisory board.
2:46:17 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing the 2008 Agreement, paragraph 5.
2:49:26 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Continuing to ask Witness about the water supply advisory board.
2:49:52 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about the depreciation account, Bracken District paying \$588/month into the account, and a withdrawal from this account by Augusta.
2:51:44 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing the 2008 Agreement, p. 3, last paragraph right above paragraph 4, regarding funds being removed without an agreement between Bracken District and Augusta.
2:54:45 PM	Vice Chairman Gardner - Interjects Note: Harward, Sonya	Question to Witness Usleman Asking for the amount withdrawn from the depreciation account by Augusta.
2:56:32 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Referencing the Notice of Filing, Exhibit 5, table indicating deposits and withdrawals.
2:57:28 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if Bracken District has provided funds when maintenance is needed or if the district has discussed what it is doing with the payments.
2:59:39 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about a transfer from another account to cover expenses for the water treatment plant.
3:05:16 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if this is the first year that Bracken District did not pay the deficit when given the bill.
3:06:11 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness if Augusta believes that the auditor has failed to look at cost allocation issues and that she missed all of the expenses listed earlier.
3:07:58 PM	Atty. Wuetcher to Witness Usleman Note: Harward, Sonya	Asking Witness about arrearage owed, and if the wholesale customer should pay the bill if they do not agree with it.
3:09:44 PM	Witness dismissed from the stand.	
3:09:56 PM	Todd Osterloh - Comment Note: Harward, Sonya	Asks that Augusta be allowed to file updated rate case expense invoices.
3:11:06 PM	Atty. Wuetcher - Comment Note: Harward, Sonya	There is an objection to the invoices but not the submission of the invoices.
3:11:14 PM	Vice Chairman - Response Note: Harward, Sonya	Augusta can submit the invoices.
3:11:38 PM	Break	
3:11:42 PM	Session Paused	
3:25:48 PM	Session Resumed	
3:26:20 PM	Anthony Habermehl takes the stand and is sworn in. Note: Harward, Sonya	DID HE GIVE HIS POSITION???
3:26:44 PM	Atty. Wuetcher Direct Exam of Witness Habermehl Note: Harward, Sonya	Represents the Bracken County Water District
3:27:22 PM	Bracken District - Exhibit 4 Note: Harward, Sonya	Errata to the Prepared Direct Testimony of Anthony Habermehl

3:28:04 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Correction Witness's Testimony, line 9, p. 13.

3:28:31 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking about his involvement with the 2008 Agreement.

3:30:39 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Going over some details of the 2008 Agreement.

3:31:31 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness what happened regarding compliance after the 2008 Agreement.

3:32:41 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Going over other provisions in the 2008 Agreement, specifically monthly reports.

3:34:39 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness for his understanding about the depreciation fund.

3:36:25 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness what Bracken District is doing with the money they are to pay into the depreciation fund.

3:37:42 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness to explain why he wants the capital charge reduced to the pre-2008 Agreement level.

3:38:20 PM Atty. Osterloh Cross Exam of Witness Habermehl
Note: Harward, Sonya Asking Witness about the three components to the charges.

3:38:53 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Asking Witness how the assistant city clerk's salary was accounted for in the 1998 rate case.

3:39:00 PM Augusta - Exhibit 1
Note: Harward, Sonya Case No. 98-497, Notice of Filing of Commission Staff Report of May 7, 1999.

3:39:01 PM Augusta - Exhibit 2
Note: Harward, Sonya Copy of Commission Order in Case No. 98-497, dated Feb. 14, 2000.

3:41:15 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Referencing Augusta - Exhibit 1 to this Hearing, regarding salaries.

3:43:30 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Referencing Augusta - Exhibit 2 to this Hearing, footnote 2.

3:44:54 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Referencing Witness's Testimony, p. 7, regarding various persons supplying work at the water treatment plant.

3:45:58 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Asking Witness what physical facilities Bracken District owns.

3:47:29 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Asking Witness if Bracken District would want to recover the actual amount of rate case expenses even if they exceed the previous estimated expense.

3:48:29 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Asking Witness about the contractual agreement regarding under-payments and over-payments.

3:49:44 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Referencing the 2008 Agreement, and asking Witness to point out the provision concerning the over- and under-payments.

3:50:50 PM Witness Habermehl
Note: Harward, Sonya Points to the 2008 Agreement, p. 2 of 5.

3:52:00 PM Atty. Osterloh to Witness Habermehl
Note: Harward, Sonya Asking Witness if there is any part of the 2008 Agreement that he now thinks is unreasonable.

3:54:06 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Referencing the 2008 Agreement, p. 3, paragraph 5, and the provision regarding future action needing to be taken.
3:55:24 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness how the 75/25 ratio was calculated in the 2008 Agreement.
3:56:30 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness what percentage of the total production of the water treatment plant has been used by Bracken District in the seven-year period.
3:57:21 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness about spending from the depreciation account and whether it was necessary.
3:58:53 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness what was done with the reports were not received.
3:59:08 PM	POST HEARING DATA REQUEST by Atty. Osterloh Note: Harward, Sonya	Provide any letters from Bracken District requesting copies of monthly financial statements for the city or the water treatment plant.
4:00:59 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking if Bracken District believes that any rate approved by the Commission without a hearing would not be valid.
4:01:58 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness about Bracken District's \$6,090 amount for the capital cost fund, and referencing Bracken District - Exhibit 3 to this Hearing.
4:05:57 PM	POST HEARING DATA REQUEST by Atty. Osterloh Note: Harward, Sonya	Provide documentation of Bracken District making the \$5,000+ payment for the water pump.
4:06:59 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness how many purchased water adjustments Bracken District has applied for since Jan. 1, 2012.
4:08:39 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Asking Witness about Bracken District not paying the full amount into the depreciation account, and if one reason is because Augusta has not paid in their portion.
4:10:20 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Referencing the 1993 Contract, p. 12, Section 6, regarding the parties who request a study to pay for the study.
4:12:13 PM	Atty. Osterloh to Witness Habermehl Note: Harward, Sonya	Referencing Witness's Testimony, Table 2, on p. 21, regarding notice for previous rate increases.
4:13:25 PM	Atty. Osterloh - Request for Time to Review Errata Sheet	
4:13:35 PM	Vice Chairman Gardner - Response to Request Note: Harward, Sonya	Time will be allowed later for additional questions regarding the Errata sheet.
4:13:46 PM	Atty. Spenard Cross Exam of Witness Habermehl Note: Harward, Sonya	Asking Witness for his understanding as to the purpose of the 2008 Agreement.
4:16:49 PM	Atty. Spenard to Witness Habermehl Note: Harward, Sonya	Asking Witness how the 2008 Agreement impacted the variable rate schedule contained in the 1993 Agreement.
4:17:09 PM	Atty. Spenard to Witness Habermehl Note: Harward, Sonya	Referencing Witness's Testimony, p. 4, lines 11-12.

4:18:03 PM Atty. Spenard to Witness Habermehl
Note: Harward, Sonya Referencing Witness's Testimony, p. 5, starting at line 12.

4:18:50 PM Atty. Spenard to Witness Habermehl
Note: Harward, Sonya Asking Witness to explain the over-charge and under-charge provision.

4:19:45 PM Atty. Spenard to Witness Habermehl
Note: Harward, Sonya Asking Witness about the under charge for the year not being paid by Bracken District.

4:20:20 PM Atty. Spenard to Witness Habermehl
Note: Harward, Sonya Referecning Witness's Testimony, p. 17, line 9, regarding three reasons the 2008 Agreement is not legally binding.

4:20:55 PM Atty. Spenard to Witness Habermehl
Note: Harward, Sonya Referencing Witness's Testimony, p. 19, beginning at line 3.

4:23:21 PM Atty. Osterloh Re-Cross Exam of Witness Habermehl
Note: Harward, Sonya Asking Witness about presenting the city with a name for the advisory board.

4:24:45 PM Atty. Wuetcher Re-Direct Exam of Witness Habermehl
Note: Harward, Sonya Asking about Augusta's tariff filings since 2005.

4:25:42 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness about his reference to KRS 278.200, regarding approval of rates requiring a hearing.

4:26:38 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking about the 2008 Agreement and the capital charge.

4:28:45 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness how long the water supply advisory board had not been in commission prior to 2008, and the 2008 Agreement providing for the water supply advisory board to be recommissioned.

4:31:09 PM Atty. Wuetcher to Witness Habermehl
Note: Harward, Sonya Asking Witness about an audit possibly being cheaper than a rate case expense for the city of Augusta.

4:32:59 PM Witness dismissed from the stand.

4:33:07 PM Exhibits reviewed and accepted into the record.

4:33:46 PM Review of POST HEARING DATA REQUESTS - due in 10 days.

4:40:41 PM Vice Chairman Addresses Motions, etc.
Note: Harward, Sonya Regarding the city's CPA not in attendance and the additional expenses brought up in Witness Usleman's testimony here.

4:42:48 PM Additional questions (with respect to the CPA or rate case expenses) due from Bracken District in 20 days.

4:43:46 PM Motion withdrawn regarding additional expenses discussed during Witness Usleman's testimony.

4:44:34 PM Augusta also has 20 days for additional questions.

4:45:03 PM Responses to additional questions due in 30 days.

4:45:40 PM Requests for additonal evidentary hearing due in 40 days.

4:46:00 PM Briefs due in 60 days.

4:46:57 PM Vice Chairman Gardner - Additional Comments

4:48:01 PM Hearing Adjourned

4:48:16 PM Session Paused

7:36:52 PM Session Ended



Exhibit List Report

2015-00039_08Sept2015

City of Augusta

Name:	Description:
Augusta - Exhibit 1	Case No. 98-497, Notice of Filing of Commission Staff Report of May 7, 1999.
Augusta - Exhibit 2	Copy of Commission Order in Case No. 98-497, dated Feb. 14, 2000.
Bracken District - Exhibit 1	Document labeled: Exhibit 6, Page 1 of 21, Average Weekly Water Treatment Plant Duties for City Office Employees, 34 Hours/Week
Bracken District - Exhibit 2	Four pages: Letters to Commission and Bracken District regarding rate increase, City of Augusta Water Treatment Plant Costs, and a Tariff.
Bracken District - Exhibit 3	Several tariffs filed by the city of Augusta from 2005 to 2014.
Bracken District - Exhibit 4	Errata to the Prepared Direct Testimony of Anthony Habermehl

Average Weekly Water Treatment Plant Duties for City Office Employees
34 Hours/Week

POSITION	HOURLY RATE	HOURS	TOTAL
City Clerk – 14 Hours	\$20.89	14	\$292.46
1. Billing/Invoicing			
• Purchase orders			
• Reconcile purchase orders with invoices			
• Print checks			
• Sign checks			
• Deposit checks			
• Pay bills			
• Computer data entry			
2. Payroll			
• Calculate hours worked			
• Print payroll checks			
• Sign payroll checks			
• Calculate Vacation/Sick/Holiday pay			
3. Personnel			
• Benefits			
• Insurance			
4. Budgeting/Financials			
• Bookkeeping			
• Reconcile statements			
• Assist Auditor for Rate Calculations			
• Financial statements			
• City council financial reports			
Assistant City Clerk – 14 hours	\$14.54	14	\$203.56
1. Assisting City Clerk in above listed duties			
2. Ordering supplies			
3. Mail/Postage collection and distribution			
4. Document filing			
5. Copying			
6. Answering telephone			
Maintenance Department – 4 hours	\$17.92	4	\$71.68
1. Repairs and maintenance at Water Treatment Plant			
2. Building maintenance at Water Treatment Plant			
3. Grounds keeping, mowing, snow removal, road repairs, etc.			
Computer and Technical Assistance – 2 hours	\$16.57	2	\$33.14
1. Maintain and repair computer systems.			
2. Assist with electronic document filings			
3. Assist with necessary Federal and State applications.			
WEEKLY TOTAL			\$600.84



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED
JAN 8 2015
PUBLIC SERVICE
COMMISSION

January 5, 2015

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of February 11, 2015 will be \$1.95 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

Bracken District – Exhibit 2

City Clerk/Treasurer
GRETCHEN
ENGLAND-USLEAMAN

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

Equal Opportunity
Employer & Provider



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 5, 2015

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective February 11, 2015 the water rate will increase to \$1.95 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

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CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2014

Operating costs for the fiscal year 2014 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2014</u>	(For Comparison) <u>2013</u>
Salaries and Benefits	\$ 189,260	\$159,023
Chemicals and Testing	96,128	93,436
Utilities	89,290	73,983
Insurance	13,244	11,865
Repairs and Supplies	26,667	30,004
Accounting & Legal	-0-	4,100
Office Expense	<u>3,189</u>	<u>2,510</u>
TOTAL OPERATING COSTS	<u>\$417,778</u>	<u>\$374,921</u>

TREATED GALLONS OF WATER

Bracken County Water	164,134,700	158,328,300
City of Augusta	<u>50,026,000</u>	<u>46,450,000</u>
TOTAL GALLONS	<u>214,160,700</u>	<u>204,778,300</u>

Cost Per 1000 Gallons	<u>\$1.95</u>	<u>\$1.83</u>
-----------------------	---------------	---------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

AREA BRACKEN COUNTY, KENTUCKY

PSC KY NO. 1

CITY OF AUGUSTA
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____
SHEET NO. _____

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

RATE FOR BRACKEN COUNTY WATER DISTRICT:

WATER USAGE	\$1.95 PER 1,000 GALLONS
CAPITAL COST CHARGE	\$6,090 PER MONTH

DATE OF ISSUE 1/5/2015
MONTH / DATE / YEAR

DATE EFFECTIVE 2/11/2015
MONTH / DATE / YEAR

ISSUED BY Mary H. Ziegler
SIGNATURE OF OFFICER

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

TARIFF FILING 2005



" HISTORY on the river. . . AUGUSTA, my old Kentucky home "

March 14, 2005

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by James H. Smith, Bracken County's new water rate as of April 13, 2005 will be \$1.19 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

Mayor
JOHN F. LAYCOCK

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY. 41002

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Employer & Provider



" HISTORY on the river. . . AUGUSTA, my old Kentucky home "

March 14, 2005

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective April 13, 2005, the water rate will decrease to \$1.19 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

Mayor
JOHN F. LAYCOCK

219 MAIN STREET P.O. BOX 85 AUGUSTA, KY. 41002	phone 606-756-2183	fax 606-756-2185	email augustaky@kih.net Equal Opportunity Employer & Provider
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Bracken County Water District Exhibit
FOR Bracken County Page 4 of 62
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

- SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.19 per 1,000 gallons

DATE OF ISSUR 3/14/05
Month / Date / Year

DATE EFFECTIVE 4/13/05
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/13/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

April 21, 2005

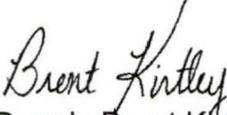
Gretchen England- Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

RE: Filing No. **TFS2005-00329**
Wholesale water rate for Bracken County Water District.

Dear Gretchen England- Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

TARIFF FILING 2006



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

January 6, 2006

JAN 11 2006
PUBLIC SERVICE
COMMISSION

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by James H. Smith, Bracken County's new water rate as of February 5, 2006 will be \$1.29 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-USleaman
Gretchen England-USleaman
City Clerk/Treasurer

City Clerk/Treasurer
GRETCHEN
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P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

- SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.29 per 1,000 gallons

DATE OF ISSUR 1/16/06
Month / Date / Year

DATE EFFECTIVE 2/15/06
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/10/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 6, 2006

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective February 5, 2006, the water rate will increase to \$1.29 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-USleaman
Gretchen England-USleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

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AUGUSTA, KY 41002

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gengland@augustakentucky.com

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"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED
JAN 31 2006
PUBLIC SERVICE
COMMISSION

FAX MESSAGE

TO: Public Service Commission

FAX#: 1-502-564-3460

ATTENTION: Brent Kintley

DATE: 1-31-06 TIME: 2:45 p.m.

SUBJECT: Water Rate

.....
FROM: Gutchen

FAX#: _____

PHONE #: _____

.....
NUMBER OF PAGES INCLUDING COVER SHEET: 2

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone 606-756-2183
fax 606-756-2185

email gengland@augustakentucky.com

Equal Opportunity
Employer & Provider

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
 For the Year Ended June 30, 2005

Operating costs for the fiscal year 2005 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2005</u>	(For Comparison) <u>2004</u>
Salaries and Wages	\$ 160,005	\$174,286
Chemicals and Testing	32,838	30,841
Utilities	57,170	44,325
Insurance	11,143	10,153
Repairs and Supplies	44,027	33,022
Interest Expense	4,500	
Office Expense	2,585	3,115
Other Expense	<u>9,705</u>	<u>0</u>
TOTAL OPERATING COSTS	<u>\$321,973</u>	<u>\$295,742</u>

TREATED GALLONS OF WATER

Bracken County Water	178,405,800	185,814,600
City of Augusta	<u>71,638,000</u>	<u>62,662,200</u>
TOTAL GALLONS	<u>250,043,800</u>	<u>248,476,800</u>

Cost Per 1000 Gallons	<u>\$1.29</u>	<u>\$1.19</u>
-----------------------	---------------	---------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$4,407.38	\$ 52,889
City of Augusta	<u>2,764.92</u>	<u>33,179</u>
	<u>\$7,172.30</u>	<u>\$ 86,068</u>



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

February 01, 2006

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

RE: Filing No. **TFS2006-00088**
Wholesale water rate increase for Bracken County.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. However, please note that the Public Service Commission requires a 30-day notice before the new rate can be implemented. The filing was received on January 11, 2006. Therefore, the new rate has been given an effective date of February 10, 2006.

Should you have any questions regarding this matter, please do not hesitate to contact me at (502) 564-3940 extension 269.

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2007**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

January 18, 2007

JAN 22 2007

PUBLIC SERVICE COMMISSION

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by James H. Smith, Bracken County's new water rate as of February 23, 2007 will be \$1.41 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-USleaman
Gretchen England-USleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

*Equal Opportunity
Employer & Provider*

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.41 per 1,000 gallons

DATE OF ISSUR 1/18/07
Month / Date / Year

DATE EFFECTIVE 2/23/07
Month / Date / Year

ISSUED BY Wenell Whit
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/23/2007
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

**CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2006**

Operating costs for the fiscal year 2006 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2006</u>	(For Comparison) <u>2005</u>
Salaries and Wages	\$ 165,301	\$160,005
Chemicals and Testing	41,450	32,838
Utilities	65,084	57,170
Insurance	12,210	11,143
Repairs and Supplies	29,338	44,027
Interest Expense	4,500	4,500
Office Expense	720	2,585
Other Expense	<u>9,714</u>	<u>9,705</u>
TOTAL OPERATING COSTS	<u>\$328,317</u>	<u>\$321,973</u>

TREATED GALLONS OF WATER

Bracken County Water	181,968,000	178,405,800
City of Augusta	<u>51,642,000</u>	<u>71,638,000</u>
TOTAL GALLONS	<u>233,610,000</u>	<u>250,043,800</u>

Cost Per 1000 Gallons	<u>\$1.41</u>	<u>\$1.29</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$4,765.38	\$ 57,185
City of Augusta	<u>2,884.26</u>	<u>34,611</u>
	<u>\$7,649.64</u>	<u>\$ 91,796</u>



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 18, 2007

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective February 23, 2007, the water rate will increase to \$1.41 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

*Equal Opportunity
Employer & Provider*

City of Augusta
P. O. Box 85
Augusta, KY 41002

CINCINNATI OH 4
19 JAN 2007 PM 8



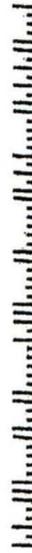
RECEIVED

JAN 22 2007

PUBLIC SERVICE
COMMISSION

MR. BRENT KIRTLEY
PUBLIC SERVICE COMMISSION
P.O. BOX 615
FRANKFORT, KY 40602-0615

40602+0615 8007





Ernie Fletcher
Governor

Teresa J. Hill
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

February 22, 2007

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

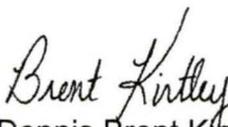
RE: Filing No. **TFS2007-00057**
Wholesale Rate Increase for Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2007-00057>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2008 – 1ST FILING**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 11, 2008

RECEIVED

JAN 14 2008

PUBLIC SERVICE COMMISSION

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of February 16, 2008 will be \$1.48 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

Equal Opportunity
Employer & Provider

Bracken County Water District Exhibit
FOR Bracken County
Community; Town of Page 22 of 62

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

- SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.48 per 1,000 gallons

DATE OF ISSUANCE 1/9/08
Month / Date / Year

DATE EFFECTIVE 2/16/08
Month / Date / Year

ISSUED BY Wesley Whit
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/16/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director

RECEIVED

FEB 07 2008

PUBLIC SERVICE COMMISSION

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2007

Operating costs for the fiscal year 2007 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2007</u>	(For Comparison) <u>2006</u>
Salaries and Wages	\$ 188,141	\$165,301
Chemicals and Testing	48,094	41,450
Utilities	73,025	65,084
Insurance	15,706	12,210
Repairs and Supplies	22,092	29,338
Interest Expense	-0-	4,500
Accounting & Legal	3,961	-0-
Office Expense	817	720
Other Expense	<u>9,714</u>	<u>9,714</u>
TOTAL OPERATING COSTS	<u>\$361,550</u>	<u>\$328,317</u>

TREATED GALLONS OF WATER

Bracken County Water	182,572,500	181,968,000
City of Augusta	<u>61,461,000</u>	<u>51,642,000</u>
TOTAL GALLONS	<u>244,033,500</u>	<u>233,610,000</u>

Cost Per 1000 Gallons	<u>\$1.48</u>	<u>\$1.41</u>
-----------------------	---------------	---------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 11, 2008

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective February 16, 2008, the water rate will increase to \$1.48 per thousand,
the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England - Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

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Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

March 04, 2008

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

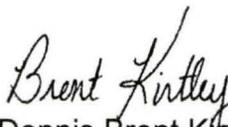
RE: Filing No. **TFS2008-00035**
New water rate for Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2008-00035>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2008 – 2ND FILING**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

SEP 26 2008

PUBLIC SERVICE COMMISSION

September 23, 2008

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of October 30, 2008 will be \$1.50 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England - Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

Equal Opportunity
Employer & Provider

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
 For the Year Ended June 30, 2008

Operating costs for the fiscal year 2008 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2008</u>	(For Comparison) <u>2007</u>
Salaries and Wages	\$ 226,992	\$188,141
Chemicals and Testing	61,015	48,094
Utilities	79,400	73,025
Insurance	14,709	15,706
Repairs and Supplies	16,339	22,092
Interest Expense	-0-	-0-
Accounting & Legal	2,520	3,961
Office Expense	1,886	817
Other Expense	<u>-0-</u>	<u>9,714</u>
TOTAL OPERATING COSTS	<u>\$402,861</u>	<u>\$361,550</u>

TREATED GALLONS OF WATER

Bracken County Water	199,409,600	182,572,500
City of Augusta	<u>69,254,000</u>	<u>61,461,000</u>
TOTAL GALLONS	<u>268,663,600</u>	<u>244,033,500</u>

Cost Per 1000 Gallons	<u>\$1.50</u>	<u>\$1.48</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

Bracken County Water District Exhibit
FOR Bracken County
Community; Town of Page 29 of 62

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

- SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.48 per 1,000 gallons

DATE OF ISSUE 1/9/08
Month / Date / Year

DATE EFFECTIVE 2/16/08
Month / Date / Year

ISSUED BY Wesley Hill
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/16/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director

FOR Bracken County, Kentucky
Community, Town or City

P.S.C. KY. NO. 8

City of Augusta
(Name of Utility)

CANCELLING P.S.C. KY. NO. 7

STAMPED: February 16, 2008

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

Rate for Bracken County Water District:

Water Usage	\$1.500	Per 1,000 Gallons
Capital Cost Charge	\$6,090	Per Month

DATE OF ISSUE September 23, 2008
Month / Date / Year

DATE EFFECTIVE October 30, 2008
Month / Date / Year

ISSUED BY Wansell
(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/30/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By Stephanie Hunter
Executive Director

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit ^{Steve L. Armstrong}

Page 31 of 62 ^{Chairman}

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

December 16, 2008

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

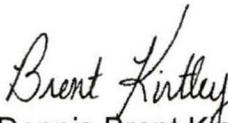
RE: Filing No. **TFS2008-00695**
Wholesale Water Rate Increase for Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2008-00695>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2009**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

DEC 03 2009

PUBLIC SERVICE
COMMISSION

December 1, 2009

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of January 8, 2010 will be \$1.56 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England - Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

*Equal Opportunity
Employer & Provider*

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2009

Operating costs for the fiscal year 2009 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2009</u>	(For Comparison) <u>2008</u>
Salaries and Wages	\$ 211,617	\$226,992
Chemicals and Testing	67,701	61,015
Utilities	83,033	79,400
Insurance	14,606	14,709
Repairs and Supplies	30,917	16,339
Accounting & Legal	4,202	2,520
Office Expense	<u>981</u>	<u>1,886</u>
TOTAL OPERATING COSTS	<u>\$413,057</u>	<u>\$402,861</u>

TREATED GALLONS OF WATER

Bracken County Water	182,362,100	199,409,600
City of Augusta	<u>81,862,000</u>	<u>69,254,000</u>
TOTAL GALLONS	<u>264,224,100</u>	<u>268,663,600</u>

Cost Per 1000 Gallons	<u>\$1.56</u>	<u>\$1.50</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. -

- SHEET NO. -

City of Augusta
(Name of Utility)

RATES AND CHARGES

Rate to Bracken County Water District
\$1.56 per 1,000 gallons

DATE OF ISSUE 12/1/09
Month / Date / Year
DATE EFFECTIVE 1/8/10
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE Mayor
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____



"HISTORY on the river...AUGUSTA, my old Kentucky home."

December 1, 2009

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective January 8, 2010, the water rate will increase to \$1.56 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

Equal Opportunity
Employer & Provider

P.S.C. KY. NO. _____ 9 _____

City of Augusta
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____ 8 _____

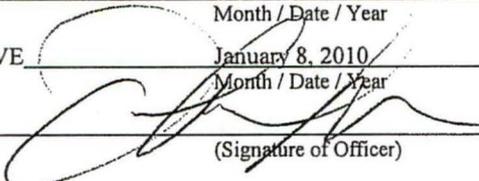
STAMPED: October 30, 2008

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

Rate for Bracken County Water District:

Water Usage	\$1.560 Per 1,000 Gallons
Capital Cost Charge	\$6,090 Per Month

DATE OF ISSUE _____ December 1, 2009 _____
Month / Date / Year
DATE EFFECTIVE _____ January 8, 2010 _____
Month / Date / Year
ISSUED BY _____  _____
(Signature of Officer)
TITLE _____ Mayor _____
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ N/A _____ DATED _____ N/A _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/8/2010
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By  _____
Executive Director

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit ^{Steve L. Armstrong}
Chairman

Page 38 of 62

James Gardner
Vice Chairman

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Charles R. Borders
Commissioner

December 10, 2009

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

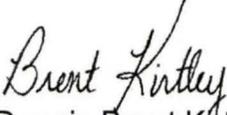
RE: Filing No. **TFS2009-00871**
Wholesale Water Rate Increase for Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2009-00871>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

TARIFF FILING 2011



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

NOV 21 2011

November 18, 2011

PUBLIC SERVICE
COMMISSION

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of December 27, 2011 will be \$1.87 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

phone
606-756-2183

fax
606-756-2185

email
gengland@augustaky.com

*Equal Opportunity
Employer & Provider*

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2011

Operating costs for the fiscal year 2011 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2011</u>	(For Comparison) <u>2010</u>
Salaries and Wages	\$ 186,890	\$199,731
Chemicals and Testing	87,332	44,072
Utilities	91,097	83,241
Insurance	13,657	12,794
Repairs and Supplies	48,977	22,597
Accounting & Legal	5,545	4,820
Office Expense	<u>1,432</u>	<u>2,260</u>
TOTAL OPERATING COSTS	<u>\$434,930</u>	<u>\$369,515</u>

TREATED GALLONS OF WATER

Bracken County Water	173,204,000	174,454,500
City of Augusta	<u>59,153,000</u>	<u>62,473,000</u>
TOTAL GALLONS	<u>232,357,000</u>	<u>236,927,500</u>

Cost Per 1000 Gallons	<u>\$1.87</u>	<u>\$1.56</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

PSC KY NO. 10

CITY OF AUGUSTA
(NAME OF UTILITY)

CANCELLING PSC KY NO. 9

STAMPED: _____

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

RATE FOR BRACKEN COUNTY WATER DISTRICT:

WATER USAGE \$1.87 PER 1,000 GALLONS

CAPITAL COST CHARGE \$6,090 PER MONTH

DATE OF ISSUE 11/18/11 MONTH / DATE / YEAR

DATE EFFECTIVE 12/27/11 MONTH / DATE / YEAR

ISSUED BY _____ SIGNATURE OF OFFICER

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 12/27/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



"HISTORY on the river...AUGUSTA, my old Kentucky home."

November 18, 2011

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective December 27, 2011 the water rate will increase to \$1.87 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
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Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit
Page 44 of 62

James Gardner
Vice Chairman

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

December 29, 2011

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

RE: Filing No. **TFS2011-00775**
Increases Wholesale Water Rates to Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2011-00775>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2012**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

JAN 17 2012

PUBLIC SERVICE
COMMISSION

January 11, 2012

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

After reviewing the new water rate our auditor Donna J. Hendrix determined that the rate should have been \$1.78 instead of \$1.87. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
GRETCHEN
ENGLAND-USLEAMAN

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Equal Opportunity
Employer & Provider

CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2011

Operating costs for the fiscal year 2011 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2011</u>	(For Comparison) <u>2010</u>
Salaries and Wages	\$ 186,890	\$199,731
Chemicals and Testing	87,332	44,072
Utilities	91,097	83,241
Insurance	13,657	12,794
Repairs and Supplies	28,532	22,597
Accounting & Legal	5,545	4,820
Office Expense	<u>1,432</u>	<u>2,260</u>
TOTAL OPERATING COSTS	<u>\$414,485</u>	<u>\$369,515</u>

TREATED GALLONS OF WATER

Bracken County Water	173,204,000	174,454,500
City of Augusta	<u>59,153,000</u>	<u>62,473,000</u>
TOTAL GALLONS	<u>232,357,000</u>	<u>236,927,500</u>
 Cost Per 1000 Gallons	 <u>\$1.78</u>	 <u>\$1.56</u>

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

PSC KY NO. 10

CITY OF AUGUSTA
(NAME OF UTILITY)

CANCELLING PSC KY NO. 9

STAMPED: _____

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

RATE FOR BRACKEN COUNTY WATER DISTRICT:

WATER USAGE \$1.78 PER 1,000 GALLONS

CAPITAL COST CHARGE \$6,090 PER MONTH

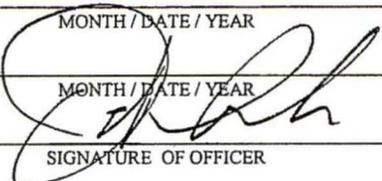
DATE OF ISSUE 11/18/11
MONTH / DATE / YEAR

DATE EFFECTIVE 12/27/11
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____



KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 12/27/2011
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 11, 2012

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

After reviewing the new water rate our auditor determined that the rate should be \$1.78 instead of \$1.87 per thousand. The water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-USleaman
Gretchen England-USleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
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Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit Armstrong

Page 50 of 62
Chairman

James Gardner
Vice Chairman

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

January 23, 2012

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

RE: Filing No. **TFS2012-00039**
Revises prior filing in TFS2011-00775.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2012-00039>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

**TARIFF FILING
2013**



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED

DEC 14 2012

PUBLIC SERVICE COMMISSION

December 11, 2012

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of January 19, 2013 will be \$1.79 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-Usleaman
Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
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Equal Opportunity
Employer & Provider

**CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2012**

Operating costs for the fiscal year 2012 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2012</u>	<u>2011</u>
Salaries and Benefits	\$ 164,303	\$186,890
Chemicals and Testing	88,578	87,332
Utilities	68,403	91,097
Insurance	8,955	13,657
Repairs and Supplies	35,652	28,532
Accounting & Legal	4,962	5,545
Office Expense	<u>4,228</u>	<u>1,432</u>
TOTAL OPERATING COSTS	<u>\$375,081</u>	<u>\$414,485</u>

(For Comparison)

TREATED GALLONS OF WATER

Bracken County Water	156,371,700	173,204,000
City of Augusta	<u>53,061,000</u>	<u>59,153,000</u>
TOTAL GALLONS	<u>209,432,700</u>	<u>232,357,000</u>

Cost Per 1000 Gallons	<u>\$1.79</u>	<u>\$1.78</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

PSC KY NO. 1

CITY OF AUGUSTA
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

STAMPED: _____

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

RATE FOR BRACKEN COUNTY WATER DISTRICT:

WATER USAGE	\$1.79 PER 1,000 GALLONS
CAPITAL COST CHARGE	\$6,090 PER MONTH

DATE OF ISSUE 12/11/12
MONTH / DATE / YEAR

DATE EFFECTIVE 01/19/13
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 1/19/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



"HISTORY on the river...AUGUSTA, my old Kentucky home."

December 11, 2012

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective January 19, 2013 the water rate will increase to \$1.79 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
P.O. BOX 85
AUGUSTA, KY 41002

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Equal Opportunity
Employer & Provider

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit
Page 56 of 62

James Gardner
Vice Chairman

Linda Breathitt
Commissioner

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

January 18, 2013

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

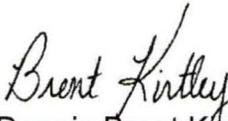
RE: Filing No. **TFS2012-01154**
Increases Wholesale water rates to Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2012-01154>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

TARIFF FILING 2014



"HISTORY on the river...AUGUSTA, my old Kentucky home."

RECEIVED
JAN 23 2014
PUBLIC SERVICE
COMMISSION

January 20, 2014

Mr. Brent Kirtley
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Kirtley,

Per our audit completed by Donna J. Hendrix, Bracken County's new water rate as of February 26, 2014 will be \$1.83 per thousand. Enclosed is a copy of the letter sent to Bracken County Water District and also the rate change form.

If you need any further information or have any questions please call me.

Sincerely,

Gretchen England-USleaman
Gretchen England-USleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

219 MAIN STREET
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AUGUSTA, KY 41002

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606-756-2183

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606-756-2185

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gengland@augustaky.com

Equal Opportunity
Employer & Provider

**CITY OF AUGUSTA, KENTUCKY
WATER TREATMENT PLANT COSTS
For the Year Ended June 30, 2013**

Operating costs for the fiscal year 2013 that were incurred by the City were consistent with cost calculations by Public Service Commission of Commonwealth of Kentucky.

<u>OPERATING COSTS</u>	<u>2013</u>	(For Comparison) <u>2012</u>
Salaries and Benefits	\$ 159,023	\$164,303
Chemicals and Testing	93,436	88,578
Utilities	73,983	68,403
Insurance	11,865	8,955
Repairs and Supplies	30,004	35,652
Accounting & Legal	4,100	4,962
Office Expense	<u>2,510</u>	<u>4,228</u>
TOTAL OPERATING COSTS	<u>\$374,921</u>	<u>\$375,081</u>

TREATED GALLONS OF WATER

Bracken County Water	158,328,300	156,371,700
City of Augusta	<u>46,450,000</u>	<u>53,061,000</u>
TOTAL GALLONS	<u>204,778,300</u>	<u>209,432,700</u>

Cost Per 1000 Gallons	<u>\$1.83</u>	<u>\$1.79</u>
------------------------------	----------------------	----------------------

The above-calculated costs do not include Capital Cost charged to the users each month:

	<u>Month</u>	<u>Annual</u>
Bracken County Water	\$6,090.00	\$ 73,080
City of Augusta	<u>2,030.00</u>	<u>24,360</u>
	<u>\$8,120.00</u>	<u>\$ 97,440</u>

PSC KY NO. 1

CITY OF AUGUSTA
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

STAMPED: _____

RATES & CHARGES

MONTHLY WHOLESALE WATER RATE:

RATE FOR BRACKEN COUNTY WATER DISTRICT:

WATER USAGE	\$1.83 PER 1,000 GALLONS
CAPITAL COST CHARGE	\$6,090 PER MONTH

DATE OF ISSUE 01/20/2014
MONTH / DATE / YEAR

DATE EFFECTIVE 02/26/14
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 2/26/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



"HISTORY on the river...AUGUSTA, my old Kentucky home."

January 20, 2014

Bracken County Water District #1
P.O. Box 201
Brooksville, KY 41004

To Whom It May Concern:

Effective February 26, 2014 the water rate will increase to \$1.83 per thousand, the water rate was decided by the Public Service Commission.

If you have any questions please call.

Sincerely,

Gretchen England-Usleaman
City Clerk/Treasurer

City Clerk/Treasurer
**GRETCHEN
ENGLAND-USLEAMAN**

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Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Bracken County Water District Exhibit ¹ Armstrong

Page 62 of 62

James Gardner
Vice Chairman

Linda Breathitt
Commissioner

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

February 18, 2014

Gretchen England-Usleaman
City of Augusta
219 Main Street
P.O. Box 85
Augusta, KY 41002

RE: Filing No. **TFS2014-00035**
Increases wholesale water rates to Bracken County Water District.

Dear Gretchen England-Usleaman:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2014-00035>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

ERRATA TO THE PREPARED DIRECT TESTIMONY
OF ANTHONY HABERMEHL

1. Page 4, Line 13. Insert “Supply” between the words “Water” and “Advisory”.
2. Page 4, Line 17. Add the following sentences: “The Board also had the ongoing duty to provide to Augusta a list of candidates for personnel to operate the Treatment Plant and for the auditing firm to conduct the Treatment Plant’s annual audit. Augusta was to select its employees and its auditor from this list unless it showed good cause to do otherwise.”
3. Page 7, Lines 6 – 7. Second sentence of paragraph should read: It has a design capacity of 1.44 million gallons per day.”
4. Page 10, Lines 13 – 14. Sentence should read: “Despite operating the Treatment Plant for 19 years, Augusta has failed to establish any system to track the services that its other city departments provide.”
5. Page 10, Line 17. Insert “was” between “and” and “prepared”.
6. Page 10, Line 20. Change “their” to “her”.
7. Page 11, Line 2. Change “this estimate does” to “these estimates do”.
8. Page 12, Line 7. Change “6,876 bills annually” to “6,852 bills annually” and “573 times” to “571 times”.
9. Page 12, footnote 19. The second sentence should read: “571 water bills x 12 months = 6,852 bills.”

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

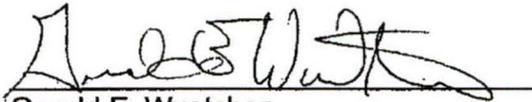
In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF THE CITY OF) CASE NO. 98-497
AUGUSTA, KENTUCKY)

NOTICE OF FILING

Commission Staff gives notice of its filing of the workpapers to the Commission Staff Report of May 7, 1999. Commission Staff makes this filing pursuant to the request of Bracken County Water District.

Respectfully submitted,



Gerald E. Wuetcher
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602-0615

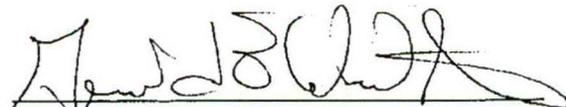
Counsel for Commission Staff

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice was served by express mail, postage prepaid, upon the following, this 21st day of May, 1999:

Eddie A. Chinn
Bracken County Water District
P. O. Box 201
103 Woodward Avenue
Brooksville, Kentucky 41004-0201

Hon. Barry Bratton
Mayor
City of Augusta
219 Main Street
Augusta, Kentucky 41002-1036



Gerald E. Wuetcher

Augusta – Exhibit 1

Exhibit 1

CITY OF AUGUSTA
CN 98-497
Schedule of Commission Staff Workpapers

1. Field Review Confirmation Letter
2. Combining Statement of Revenue, Expenses and Changes in Retained Earnings (From 6/30/98 Audit)
3. Breakdown of Water Fund between Water Treatment Plant and Water Distribution & Other
4. Summary of CPA's audit trail from Trial Balance to Adjusted Trial Balance
5. Analysis of Repairs & Supplies Expense and Miscellaneous Expense
6. Adjusted Trial Balance (Prepared by CPA)
7. Adjusting Journal Entries (Prepared by CPA)
8. Depreciation Schedule (Prepared by CPA)
9. Trial Balance (Prepared by City)
10. Reconciliation of Trial Balance to Disbursements per Checks
11. Schedule of Disbursements per Checks (by Acct. No.)
12. Attachment A to Staff Report
13. Documentation of Salary Adjustment
14. Documentation of Repairs Adjustment
15. Documentation of WTP Insurance Expense
16. Attachment B to Staff Report
17. Schedule of Total Water Produced for FYE 6/30/98 (Prepared by City)
18. Water Purchase Contract

ATTACHMENT A
 STAFF REPORT CASE NO. 98-497
 CITY OF AUGUSTA WATER TREATMENT PLANT- TEST YEAR EXPENDITURES
 CALCULATION OF REVENUE REQUIREMENT FROM WATER SALES

	Detailed WTP Expenditures	Recommended Adjustments	Ref.	Recommended WTP Expenditures
Salaries & Wages				
Salaries - Plant	82,448	3,664	(a)	86,112
Utilities & Telephone				
Electric	40,953			40,953
Phones	2,262			2,262
Insurance	7,624			7,624
Repairs & Supplies				
Repairs	150,253	(33,296)	(b)	116,957
Chemicals	4,621			4,621
Office Supplies	637			637
Miscellaneous				
Travel & Training	1,100			1,100
Testing	3,852			3,852
Other Expense				
Miscellaneous - WTP	328			328
Depreciation Expense	75,861			75,861
Total Operating Expenses	369,939	(29,632)		340,307

Adjusted Operating Expenses - WTP	340,307	
Less: Depreciation Expense	<u>75,861</u>	(c)
Total Revenue Requirement from Water Sales	<u>264,446</u>	

ATTACHMENT A
STAFF REPORT CASE NO. 98-497
CITY OF AUGUSTA WATER TREATMENT PLANT- TEST YEAR EXPENDITURES
CALCULATION OF REVENUE REQUIREMENT FROM WATER SALES

(a) Salaries – Plant: Augusta reported test year salary expense for the water treatment plant of \$82,448. Based on the current salary levels of the current employees, staff has calculated salary expense to be \$86,112. As a result, an adjustment has been included to increase test year expense by \$3,664.

(b) Repairs. For the test year Augusta reported \$150,253 in repairs expense. Included in this account were payments to Control Technologies in the amount of \$33,296 for flood repair expenditures that were reimbursed by insurance. Since these costs will not be recovered through rates, Staff has included an adjustment to decrease test year expense by that amount to a level of \$116,957.

(c) Depreciation Expense. Augusta reported depreciation expense of \$75,861 for the water treatment plant for the test year. Based on the Water Purchase Contract dated March 4, 1993, between the City of Augusta and Bracken County Water District, the operation and maintenance expense on which wholesale rates are to be determined should exclude depreciation expense. Therefore, an adjustment has been made to eliminate depreciation expense from the calculation of Augusta's wholesale revenue requirement.

Rec. 4/7/99

(B)

GREG ENGLAND, HEAD OPERATOR
RESIGNED - 1-2-98
PER HOUR - \$10.75
PER YEAR - \$11,878.27

MIKE JARVIS, HEAD OPERATOR
HIRE DATE - 1-6-98
PER HOUR - \$13.50
PER YEAR - \$14,258.14

LANCE BEAN, OPERATOR
HIRE DATE 12-3-97
PER HOUR - \$10.75
PER YEAR - \$13,794.26

JEFF MOFFORD, OPERATOR
PER HOUR - \$10.75
PER YEAR - \$18,181.14

ANGIE SCHWEITZER, OFFICE
PER HOUR - \$6.40
PER YEAR - \$11,910.11

Per Detchen - employees work 40 hrs. per week with some overtime. These yearly salaries don't reflect an entire year.

Salaries

City of Augusta
CN 98-497
Schedule of Plant Salaries
Test Year Ended June 30, 1998

		Hourly Rate	Annual Salary (Based on 2080 hrs.)
M. Jarvis	Head Operator	13.50	28,080
L. Bean	Operator	10.75	22,360
J. Mofford	Operator	10.75	22,360
A. Schweitzer	Office	6.40	13,312
Total current salaries			86,112
Less: Test year expense			82,448
Increase			3,664

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATE OF THE CITY OF) CASE NO. 98-497
AUGUSTA, KENTUCKY)

ORDER

On July 14, 1999, the Commission issued a final Order on the application of the city of Augusta, Kentucky ("Augusta") for an adjustment of its wholesale water service rate to Bracken County Water District ("Bracken District"). Augusta and Bracken District subsequently petitioned for rehearing to present further evidence on the amount of "treated water sold" and the amount of undercharges resulting from Augusta's earlier wholesale water service rate. Having granted the petition and considered the evidence adduced on rehearing, we authorize Augusta to assess a wholesale water service rate of \$1.30 per 1,000 gallons and a surcharge of 33 cents per 1,000 gallons on Bracken District to collect certain "undercharges."

In our Order of July 14, 1999, we rejected that portion of the parties' Settlement Agreement in which they stipulated that Augusta's wholesale rate should be \$1.30 per 1,000 gallons. We took this action because the record contained "insufficient evidence to conclude that the proposed rate was reasonable."¹ More specifically, the Commission found no evidence to support the parties' contention that "the total gallons

¹ Order of July 14, 1999 at 3.

of treated water sold” during the test period was 204 million gallons.² Instead we established a wholesale rate of \$1.21 using Augusta’s total water production of 219,366,100 gallons during the test period. As we explained in the Order of July 14, 1999, the use of total water production appeared more reasonable

because of the lack of jointly used water mains. Simply put, Bracken District receives its water very near Augusta’s water treatment plant. The water main that connects the water treatment plant to Bracken District’s distribution system was recently constructed and therefore unlikely to experience any significant water loss. Using total number of gallons of treated water ensures that Bracken District is not allocated water line loss that is attributable to Augusta’s retail sales.

Order of July 14, 1999 at 4. We further found no evidence that “‘total gallons of treated water sold’ represents only the amount of water that left Augusta’s [water] treatment plant and entered Augusta’s distribution system.” Id.

The parties presented evidence on rehearing that clearly shows that only 204 million gallons were actually delivered from Augusta’s water treatment plant to Augusta and its wholesale customer. The Chief Operator of Augusta’s water treatment plant stated in a sworn affidavit that a master meter records the amount of water delivered to Augusta’s distribution system. He further stated that this meter’s readings show that approximately 53 million gallons of water was delivered to Augusta’s distribution system

² As shown below, use of this amount produces a wholesale rate of \$1.30 per 1,000 gallons:

$$\begin{aligned} &\textbf{Total Cost of Water} \div \textbf{Total Gallons Sold} = \textbf{Rate.} \\ &\text{Total Cost of Water} = \$264,446. \\ &\text{Total Gallons Sold} = 204,000,000 \text{ gallons.} \\ &\$264,446 \div 204,000,000 \text{ gallons} = \$1.30 \text{ per 1,000 gallons.} \end{aligned}$$

during the testing period.³ When the total gallons delivered to Augusta's distribution system are added to Augusta's metered sales to Bracken District, the parties' contention that the total amount sold is 204 million gallons appears reasonable. Moreover, it suggests that the proposed rate of \$1.30 per 1,000 gallons rate will not result in Bracken District bearing any costs associated with water line loss incurred to serve Augusta's retail customers.

In the Order of July 14, 1999, the Commission also rejected the parties' stipulation that from the time Augusta's water treatment plant began operations until June 30, 1999, Augusta recovered approximately \$145,000 less than its actual cost to serve Bracken District. We found no evidence to support such stipulation.

Following the issuance of this Order, Augusta retained James H. Smith, a certified public accountant, to review the expenses of Augusta's water treatment plant from October 1996 to October 1998 and to report his findings. In his written report,⁴ Smith concluded that, for the period under review, Augusta's wholesale rate produced revenues that were \$114,383 less than Augusta's cost to serve Bracken District. Both utilities accept Smith's findings and agree that a \$0.33 per 1,000 gallons surcharge should be assessed to permit Augusta's recovery of these costs.

Having reviewed Smith's report and the proposed surcharge, the Commission finds that the proposed surcharge is supported by the evidence of record, is reasonable,

³ Affidavit of Michael C. Jarvis at 1.

⁴ James H. Smith, Report On Operating Expenses – Water Treatment Plant – City of Augusta and Bracken County Water District (September 10, 1999).

and is consistent with the terms of the parties' Water Purchase Contract.⁵ Accordingly we find that the proposed surcharge should be approved. We further find that future calculations of water treatment costs for billing adjustment purposes should be based upon Augusta's fiscal year operations (July 1 through June 30), rather than its calendar year operations (January 1 through December 31).

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement between Augusta and Bracken District, appended hereto, is approved.

2. Augusta's rate for wholesale water service rendered to Bracken District on and after the date of this Order shall be \$1.30 per 1,000 gallons of water.

3. Augusta is authorized to assess a surcharge of \$.33 per 1,000 gallons on water sales to Bracken District on and after the date of this Order until it has collected revenues of \$114,383 from this surcharge.

4. For each year that the surcharge remains in effect, Augusta shall file with the Commission no later than January 31 of the following year a written report of its total water sales to Bracken District during that year, its total surcharge revenue for that year, and its total surcharge revenue since the surcharge was initiated.

5. For future adjustments to Augusta's wholesale rate made pursuant to the Variable Rate Schedule of the parties' Water Purchase Contract, adjustments to the variable rates shall be based upon Augusta's fiscal year operations (July 1 to June 30).

⁵ Section 2(e) of the Variable Rate Schedule of this contract expressly provides that the wholesale rate should be based upon "demonstrable costs" and that an "adjustment to the previous year's billings shall be made by the Seller to reflect actual costs."

6. Within 30 days of the date of this Order, Augusta shall file with the Commission revised tariff sheets reflecting the rates approved herein and the modifications to its Water Purchase Contract with Bracken District.

Done at Frankfort, Kentucky, this 14th day of February, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-497 DATED FEBRUARY 14, 2000

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